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Connecticut General Assembly Testimony—Moshe Z. Marvit

My name is Moshe Z. Marvit, and I am an attorney and fellow with The Century Foundation specializing in labor and employment law and policy. The Century Foundation is a nearly century-old non-profit think tank that seeks to foster opportunity, reduce inequality, and promote security at home and abroad. I submit this testimony in support of SB 858 to eliminate the tipped credit and pay tipped workers the full minimum wage.

In January, I published an Op-Ed in the Pittsburgh Post-Gazette that highlighted a Pittsburgh restaurant called Bar Marco for transferring all staff to full-time salaried positions that paid a living wage and provided benefits. Bar Marco and similar restaurants across the country deserve commendation for their decisions to pay their employees a living wage, but most tipped employees in America do not have such magnanimous employers and as a result receive a sub-minimum wage that too often results in poverty wages.

Research suggests that tipped workers suffer from three times the poverty rate of the general population and rely on food stamps at twice the rate of the general population. This disparity affects workers much more than men, with women comprising two thirds of all tipped workers. Further compounding this problem is the wage inconsistency that comes with receiving a significant portion of one's pay through tips. An employee's wages may swing wildly from day to day and week to week, which places many of these workers who live paycheck to paycheck with extreme instability.

Furthermore, Research has also found that a tipped worker's wages depend significantly on factors unrelated to service, and often beyond his or her control. For instance, the following has been found to have a significant affect on how much a server makes in tips: race, ethnicity, sex, age, clothing, hair color, breast size, lipstick color, personal "ornamentation," posture, touching, and a variety of other irrelevant matters. As a nation, we have made illegal wage disparities based on factors such as race, sex, ethnicity, and the like, but millions of American workers have their wages affected for precisely these reasons due to the tip credit. The tipped sub-minimum wage essentially codifies pay discrimination.

The tip credit hurts working Americans by providing unpredictably wages and pushing many into poverty. Tens of thousands of Connecticut workers would benefit from the reduction or elimination the tipped credit. Please pass this legislation, SB 858.